No. 3824.

IN THE

United States

Circuit Court of Appeals,

FOR THE NINTH CIRCUIT.

Central California Canneries Company, a Corporation, et al.,
Petitioners,

vs.

Dunkley Company, a Corporation,
Respondents.

OPINIONS AND DECISIONS OF THE COURTS

in suits and proceedings involving validity of DUNKLEY PATENT, number 1,104,175

(Reprinted for the convenience of the court.)

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IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DIVISION OF THE NORTHERN DISTRICT OF CALIFORNIA, SECOND DIVISION.

Oral Opinion of Judge Van Fleet, December 4, 1916.

The COURT. (Orally).—I have been endeavoring to secure an opportunity to write a brief opinion in this case, which is one for the infringement of a patent, but I have been too much taken up with other work, and I have determined that it is better that the cause be decided than that it be delayed further.

There was but one question, really, left at the conclusion of the hearing, and that was the question of priority of conception or invention and use of the device in suit, the validity of the claims, sued on being conceded, and that the defendants' device was within those claims. By reason of the very elaborate brief filed by the defendants, and the contentions made therein as to the testimony, I have taken occasion to review the evidence in its entirety, and I have been unable from my examination to withdraw my mind from the conclusion reached at the trial, that the plaintiff has sustained in its substantive features, the *onus* cast upon him of showing not only prior invention but prior use.

There are three several anticipating devices involved, two being the subject of patents and one not. The Beekhuis patent was in interference in the Patent Office on the very question of priority, and prior-

ity was awarded to the plaintiff, and this award was sustained by the Court of Appeals of the District of Columbia. It is claimed that the evidence here is in some respects substantially different from that which was presented to that Court, but I am unable to find that there is any such essential difference as to warrant this Court in holding other than in accord with the conclusion reached by the District of Columbia court. While that patent was applied for first, it was issued subsequent to the plaintiff's patent, and therefore is not technically an anticipation, and I am satisfied that the evidence sufficiently shows that it was not such in fact.

As to the Vernon device, it had been in use in Fresno as early as 1902 or 1903. I am unable to hold that that device was an anticipation in its essential characteristics. It operated upon a fundamentally different principle. That was an adaptation to the purposes for which the plaintiff's device was used, that of peeling peaches, of a device by Baker and another for scouring oranges for the market; it had a system of revolving brushes, and it used a saturation or douche of water for the purpose of softening the brushes and of washing the fruit; but the essential operative principle there was the brushes. They were for the purpose of scrubbing and washing the hard outer surface of the skin of the orange and of freeing it from mould and other detrimental substances which interfered with its marketability, and the essential principle was the operation of the brushes. The water was used, as

I have suggested, only for a saturating and washing purpose. I may say, furthermore, that the patent itself did not call for the essential feature which I find characterizes the plaintiff's device, that is, of peeling jets of water, or water admitted at such a high pressure upon the fruit as to act itself as the primary means of washing the skin from the fruit; nor do I think that the manner in which the Vernon patent was used was such as to suggest readily to the mind the idea that peeling jets of water would be efficient for the purpose for which the plaintiff's device was intended. The plaintiff's device operates upon quite a different principle. It has the rotating brushes, but has these peeling jets of water, which are themselves the efficient means of washing off the disintegrated skin of the peach after it has been put through the lye process, and the brushes serve the subsidiary purpose of agitating the fruit and of turning it for the purpose of presenting its different surfaces to the jets of water to enable them to do the efficient work of cleansing the skin after its disintegration by the lye bath; and I am therefore unable to hold that the Vernon device, which was subsequently patented—I think in 1905——can be regarded as an anticipation of the device or the conception embodied in the plaintiff's patent.

The only other device, one that never has been patented, I believe, is that of Grier. It is a very close question as to which of the two minds, that of Grier or that of Dunkley, the first conception of that

idea came. They were very nearly contemporaneous, and it is admitted that the Grier device does come within the claim of the plaintiff's patent. But the evidence fails to show such prior use of the Grier device as to operate to defeat the plaintiff's priority of right. Grier never has applied for a patent, I believe, and the evidence tends to show that upon its coming to his knowledge that it infringed the device of plaintiff, he abandoned that particular device and adopted another.

The main reliance by defendant in the evidence, is upon the testimony of the witness Campbell and that of the witness Brunker. I indicated at the trial, and my mind has been only confirmed in that view by my review of the evidence, that I could not extend the limits of my credulity sufficiently to put credence in the testimony of Campbell. That he worked for the plaintiff at or about the time that he claims, there is no question, but that the claim he puts forth as to what he did in the premises, and the time it was done, is entirely beyond my ability to believe. Brunker tends to corroborate him in certain respects, but it is not sufficient to change my conclusion on the facts.

In its essential substance I regard the evidence on behalf of the plaintiff as making a case substantially free from doubt, that the plaintiff's assignor conceived this device and put it to use at a time at least a year prior to the time claimed by Campbell; and as this is a question on which the case turns, the result is that the decree must go for the plaintiff.

(Reprinted from 247 Fed. 790.)

CENTRAL CALIFORNIA CANNING CO. et al v. DUNKLEY CO.

(Circuit Court of Appeals, Ninth Circuit, October 1, 1917.)

No. 2915.

Appeals from the District Court of the United States for the Second Division of the Southern Division of the Northern District of California; Wm. C. Van Fleet, judge.

Consolidated suits in equity by the Dunkley Company against the Central California Canneries Company, the Griffin & Skelley Company, the J. C. Ainsley Packing Company, the Anderson-Barngrover Manufacturing Company, J. F. Pyle & Son, Incorporated, the Hunt Bros. Company, and the Sunlit Fruit Company, a corporation. Decrees for complainant, and defendants appeal. Affirmed.

Certiorari denied, 38 Sup. Ct. 134, 245 U. S.—, 62 L. Ed.—.

Suits for injunction restraining the infringement of plaintiff's patent for a device for peeling peaches and other fruit, and for a decree that plaintiff recover from defendants the profits realized by them and the damages sustained by plaintiff by reason of said infringement. Decree for plaintiff. Defendants appeal.

On August 6, 1915, appellee filed its bill of complaint against the appellant Central California Canneries Company, alleging that plaintiff is the owner of letters patent No. 1,104,175 for an invention and device for

peeling peaches and other fruit, and that defendant has made and used, and is now engaged in using, infringing machines, to the great and irreparable injury of the plaintiff, and praying an injunction restraining such infringement of plaintiff's patent, and a decree that plaintiff recover from defendant the profits realized by defendant, and the damages sustained by plaintiff by reason of said infringement together with costs.

Defendant answered, raising the issue of priority of conception or invention and use of the device in suit, the validity of the claims sued on being conceded, as was the fact that defendant's device was within those claims. The answer contains the further allegation that plaintiff is guilty of iniquitous conduct in suppressing evidence of prior usage by means of a contract with the California Fruit Canners' Association, whereby, in consideration of a license under plaintiff's letters patent for the remainder of the term thereof, the California Fruit Canners' Association agreed not to assist any one in defending any suit brought for the alleged infringement of said letters patent, nor to give or furnish to any such party any information or data relative to any prior usage thereof.

When the case came on for trial it was by stipulation of the parties, consolidated with the seven other cases embraced in this appeal, which are instituted by the same plaintiff against various other fruit-canning companies, (791) and involve substantially the same issues. Evidence was introduced on behalf of all parties,

and thereafter the court entered an interlocutory decree in each suit, upholding the validity of plaintiff's patent, finding that the same had been infringed by the defendants' machines, and awarding plaintiff an injunction. Each decree further awarded to plaintiff the profits realized by the defendant and the damages sustained by plaintiff by reason of the infringement, and, for the purpose of ascertaining and stating the amount of such profits and damages, the matter was referred to a master. From these decrees in favor of plaintiff, the defendants bring the present appeals in the eight consolidated cases.

Before GILBERT, MORROW, and HUNT, Circuit Judges.

MORROW, Circuit Judge (after stating the facts as above).

The question of infringement is not important in the consideration of this case. The main issue is the validity of the plaintiff's patent; that validity depending upon the priority of conception and use of the device, both questions of fact. The defendants set up three anticipating devices, the Beekhuis, the Vernon, and the Grier.

Beekhuis made application for a patent for an "apparatus for removing the skin from fruit" on May 25, 1904, and patent thereon was granted September 3, 1907. The plaintiff Dunkley applied for a patent for a "machine for peeling peaches and other fruit" on November 29, 1904. His application was amended at various times, and on July 13, 1909, the Commissioner

of Patents declared an inference between his application and the patent previously issued to Beekhuis on September 3, 1907. The award of priority of invention and use was finally given to the plaintiff Dunkley by the Patent Office, and that award sustained by the Court of Appeals of the District of Columbia, and patent granted to him on July 21, 1914. It is not sought by the defendants to establish the Beekhuis patent in this suit, but that patent is relied upon as showing a device in use and patent applied for before the plaintiff made his application.

The full proofs in the interference proceedings are not in evidence, but portions thereof appear in the file wrapper and contents of plaintiff's patent introduced by the defendants, disclosing the various rulings of the Patent Office tribunals and the many amendments made in the claims to conform thereto. It appears to have been under consideration by Patent Office officials for five years after an interference was declared, and careful investigation made into each claim before patent was granted. There seemed to be no doubt in the minds of these officials, at the conclusion of the investigation, that the plaintiff was the first to conceive the idea and reduce it to successful practice; but there was some question whether he was entitled to make certain claims for "means for directing peeling jets of water upon said fruit." Although the water was used in this form from the time of the first practical (792) construction of a peeling machine by both Beekhuis and Dunkley, neither of them used the words "peeling

jets of water" in their first specifications of claims. Beekhuis was the first to include them in an amendment to his application and Dunkley copied them later on for the express purpose of having an interference declared. In each machine the fruit passes through a receptacle, where it is subjected to a bath in a heated solution of lye, which disintegrates the skin.

In the Dunkley device the fruit is then delivered onto an endless belt conveyor and passes between rotary brushes for about six feet, the brushes rotating the peach as it is carried along, so that every portion of its surface is subjected to the jets of water which strike the fruit tangentially from perforated pipes arranged along the passage, and driven with such force as to remove the disintegrated skin still remaining upon the peaches, and to cleanse the particles from the brushes. The peaches are advanced in single file, and are thoroughly peeled, cleansed, and cooled, and ready for the cans at the point of exit from the machine. In the Beekhuis device the peaches pass from the lye bath onto a large box screen of wire mesh so arranged as to shake the fruit as it passes over it. Above this shaking screen is arranged a water pipe with transverse slits at intervals, which deliver a broad fan spray or jet of water onto the fruit passing over the screen. A similar spray or jet of water is arranged on the under side also. The fruit is delivered onto this screen in a mass, and dependence is had upon its agitation in the box while advancing, the friction with each other and with the wire screen, and the action of the

water jets or sprays during such agitation, for the removal of the disintegrated skin. It was decided that both parties were equally entitled to make the claims for "means for directing peeling water jets upon said fruit," and patent was thereupon issued to Dunkley, priority of conception of the idea and reduction to successful practice having been previously awarded him. We see no reason for reversing this decision, after a careful reading of the testimony.

The Vernon device appears to have been an adaptation of an invention of Baker, Chalker, and others, patented in 1898, for the purpose of cleaning oranges by a brushing mechanism. As early as 1902 Vernon adopted this brushing mechanism as a means for removing the skin from peaches and other fruit, first subjecting the fruit to a bath in a heated solution of caustic soda, then to another in a solution containing alum, and then immersing it in cold water. It was next subjected to a brushing process, but no mention is made of the use of water under such pressure as to form peeling jets, or in fact of any use of water for peeling purposes. Vernon applied for a patent on his device in November, 1902, which was granted in March, 1905; but at the plant in Fresno, where the machines were first used in 1902 and 1903, they appear to have been supplanted by Beekhuis machines in 1904, according to the testimony, not proving satisfactory. The essential feature of the Dunkley device, the application of peeling jets of water to the surface of the peach while in rotation, is not

shown in the Vernon device, and it cannot be regarded as anticipatory in either conception or use.

(793) The Grier device was never patented. Grier appears to have been connected with the fruit-canning business for many years, and was familiar with the process of dipping peaches in lye as early as 1891, and thereafter washing them with water. In 1902 he formed a partnership with a Mr. Taylor, and leased a canning plant in Pasadena, where they handled peaches, among other fruits, and from the testimony it would appear that he was considering how to handle a greater quantity, and attempting to devise more efficient means for peeling than the hand method: but the only real experimentation that he made in 1902 was by putting a few peaches in a wire basket and dipping them in the heated lye solution, and then using a hose by hand to wash off the peeling. He says he conceived the idea right then of building a machine to do that work, but there is no testimony to the effect that he did anything in the way of reducing the idea to a practical form, or proving his idea an operative one, until the following summer, 1903, when he built two machines, one for his own plant, and one for another company in Pasadena, not identical with the plaintiff's machine, but embodying the idea of rotation of the peaches as they progressed, and the application of peeling sprays or jets of water. The ideas of Grier and the plaintiff may have been contemporaneous; but there is no evidence of such prior use of the Grier device as to defeat the plaintiff's priority of right.

Grier did not apply for a patent for his device, and discontinued the use of his machine when he received notice of Dunkley's claimed infringement.

There is in the record the testimony of one Stewart L. Campbell, who was called as a witness by the defendants in surrebuttal, and who testified that he was employed by the Dunkley Company in constructing machinery from the first of 1902 to December, 1904. According to the testimony of this witness he designed and built, in August, 1903, a peach-peeling table, for which the plaintiff obtained the patent in suit, and this he did without any ideas from Dunkley as to its construction. In other words, his testimony is to the effect that he was the designer of the invention for which Dunkley received a patent. But defendants insist that the testimony of this witness was not introduced to prove that fact, and they refer to their answer as showing that it was not so pleaded as a defense. The purpose of this testimony, they say, was to descredit the claim of Dunkley that he was the inventor, and not to offer the defense that Campbell was the inventor. But the testimony of Campbell upon that question was material and relevant to the issue before the court, and was either true or not true. If true, Dunkley was not the inventor of the device claimed as his invention, and that would end the case. If Campbell's testimony was not true, he was testifying falsely concerning a material and relevant matter, and his testimony would for that reason be wholly rejected. "Falsus in uno, falsus in omnibus."

But the defendants say they offer it only to prove that Dunkley was not the inventor. They stand on the priorities set up in their answer as defenses, namely, the priority of the Vernon patent for a process for peeling fruit and the Grier device for an apparatus used in conducting (794) that process. They deny the priority of the Dunkley peach-peeling machine, and offer the testimony of Campbell to prove that fact. This they cannot do. They cannot offer this testimony as true to prove a material and relevant fact for one purpose, and discredit it for another purpose. If it is true for one purpose, it is true for any purpose. And as the defendants have refused to commend the testimony of this witness to the court as true for a purpose to which it was relevant and material, we must reject it for the purpose for which it was offered, namely, to fix the date of the Dunkley constructed machine in 1903, instead of 1902. But, accepting Campbell's testimony as true in those particulars wherein he is corroborated by other witnesses, we find he worked for Dunkley on a machine of some kind in 1903; but this does not identify the machine as the one Dunkley claims to have invented in 1902, nor does it tend to prove the machine as Campbell's invention.

The rule of law applicable to the evidence in this case was stated by the Supreme Court in Adamson v. Gilliland, 242 U. S. 350, 353, 37 Sup. Ct. 169, 170 (61 L. Ed. 356), where the court says:

"Considering that a patent has been granted to the plaintiff, the case is preeminently one for the applica-

tion of the practical rule that, so far as the finding of the master or judge who saw the witnesses 'depends upon conflicting testimony, or upon the credibility of witnesses, or so far as there is any testimony consistent with the finding, it must be treated as unassailable.' Davis v. Schwartz, 155 U. S. 631, 636 [15 Sup. Ct. 237, 39 L. Ed. 289]. The reasons for requiring the defendant to prove his case beyond a reasonable doubt are stated in the case of The Barbed Wire Patent, 143 U. S. 275, 284 [12 Sup. Ct. 443, 450, 36 L. Ed. 154]."

The judgment of the lower court is affirmed.

(Reprinted from 261 Fed. 203.)

DUNKLEY CO, et al v. PASADENA CANNING CO. et al.
(District Court, S. D. California, S. D.
August 19, 1918.)
No. C-8.

In Equity. Suit by the Dunkley Company and the Michigan Canning & Machinery Company against the Pasadena Canning Company and George E. Grier. Decree for defendants.

TRIPPET, District Judge. This suit is brought to enjoin the infringement by the defendants of two patents held by the plaintiffs. One of the patents, No. 1,104,175, was involved in a suit entitled Dunkley Co. v. Central California Canneries Co., et al., hereinafter referred to as the San Francisco case. That suit was tried in the United States District Court for the Northern District of California, and an appeal taken. The case was decided by the Circuit Court of Appeals and is reported in 247 Fed. 790, 159 C. C. A. 648. This patent is for a machine for peeling peaches and other fruit by a process spoken of as the "lye process." The other patent is a patent upon a process of peeling peaches or other fruit or vegetables, and known as the "lye process." The number of this patent is 1,237,623, and was issued August 21, 1917.

The first matter for the court to consider, in determining the question concerning the patent for the machine, is whether or not the defendants here are estopped by the judgment in the San Francisco case. The plaintiffs claim that defendants here are in privity

with the defendants in the San Francisco case, and for that reason are bound by that decision. The defendant Grier was the manufacturer of one of the machines, which was held to be an infringement of the machine patent. Grier employed an attorney when this suit was brought to defend this case. He sought to get permission from the defendants in the San Francisco case to join in the defense of that case, but, before arrangements were completed to join in such defense, there was a (204) disagreement, and Grier refused to have anything further to do with it in the sense of joining in the defense thereof. Grier instructed his attorney to attend the trial at San Francisco and keep informed concerning the same. He was not, however, employed to assist in the defense of said cause. The attorney, however, was during the trial made a party of record in said cause, as attorney of the defendants therein. The defendant Grier and his wife attended the trial at their own expense. Grier also took his device to San Francisco to exhibit at the trial at his own expense. He testified as a witness therein. Other attorneys employed in the San Francisco case were employed by defendant Grier in this case. Grier in all these matters represented his co-defendant, Pasadena Canning Company.

During the trial of the San Francisco case, negotiations were entered into between the parties here concerning an agreement as to the effect a decree in the San Francisco case should have, and the parties, pend-

ing the trial of the San Francisco case, entered into a stipulation as follows:

"It is hereby stipulated and agreed by and between the parties to the above-entitled suit:

"(1) That the final hearing or trial of this suit be continued over the January, 1916, term of said court, and shall not be set for trial prior to November, 1916.

"(2) That either of the parties hereto, upon the trial of this suit, may use as evidence herein, with the same force and effect as if given in open court in this suit, any or all of the testimony of any witness together with the accompanying exhibits, forming part of the transcript and records of the trial of suit in equity No. 201, in the United States District Court for the Northern District of California, wherein said Dunkley Company is plaintiff and Central California Canneries Company is defendant, as the same is finally submitted to the latter court for determination, or either party hereto may likewise use the testimony of any one or more of such witnesses and call in open court any other of said witnesses, or any other or additional witnesses; it being the intent hereof to perpetuate for use in this suit all the testimony and proofs adduced in said suit No. 201, and render the same as available for use herein on behalf of the respective parties as though the same had been given in open court in this suit. It is further stipulated and agreed that the certificate of the official reporter to a copy of the manuscript of testimony in said suit No. 201, or to the testimony of any witness therein, shall be deemed a full and sufficient certification as to the correctness thereof, and that no further certification thereof shall be required to render the same admissible in this court under this stipulation," etc.

This stipulation was entered into on April 3, 1916, and the San Francisco case was decided on December 4, 1916.

The evidence here shows that the plaintiffs knew, at the time of entering into this stipulation, all the circumstances that tended to show that the defendants here were engaged in defending the San Francisco case, and, notwithstanding that knowledge, the plaintiffs entered into that stipulation. Now, if the plaintiffs believed at the time that the defendants here were estopped, why did the plaintiffs enter into a stipulation concerning the use of the evidence, as set forth in that document? What was the use of preserving the evidence, as introduced in that case, to be presented here as evidence in this case, if the defendant here were to be estopped by the judgment in the San (205) Francisco case? It seems perfectly plain that the plaintiffs cannot be permitted to assume the situation that they now seek to assume, because it is inconsistent with the position they took in entering into this stipulation.

The defendant Grier never directed any attorney to represent him or the Pasadena Canning Company in the San Francisco case, as a litigant in that case. Grier was neither a party nor a privy in that litigation. He had no legal right to defend or control the proceedings, nor to appeal from the decree. He was a stranger, and was not concluded by that judgment as a party thereto. He was indirectly interested in the result, because the question there litigated was one which might affect

his own liability as a judicial precedent in this suit, and therefore he sought to assist and advise the defendants in that case, in order that there might not be a precedent established to his injury.

The record does not disclose a state of facts that would justify the court in holding that the defendants here are estopped by the San Francisco record. Having determined that the judgment in the so-called San Francisco case is not an estoppel, it is necessary for the court to determine what effect shall be given to that decision. The whole record, including all the evidence taken in San Francisco, is introduced in evidence here. In addition to that, the court sat for many, many days taking evidence not in the San Francisco case. The proof here is so entirely different from the proof in the San Francisco case—that is to say, the evidence here contains so much proof, in addition to the proof taken in the San Francisco case—that this court cannot consider the question here involved as having been decided. If the San Francisco case were based upon the same facts proved in this case, this court would be strongly inclined to follow the decision in that case, regardless of whether or not there is an estoppel. But this court must be bound by the proof produced here, and what is decided must be the opinion of this court, and must contain the convictions of the judge. If any doubt remains after considering all the evidence introduced here, the court should give great weight to the opinion rendered in the San Francisco case, for the purpose of resolving that doubt. Under

the circumstances the San Francisco case cannot lead this court to a conclusion.

The plaintiffs claim that Dunkley conceived the process of peeling peaches by lye in 1901; that he made his first model or experimental machine in the peach season of 1902, and the plaintiffs insist that the Dunkley patent should be carried back to these dates. The first question, therefore, for the court to consider is: How far back of the date of application for patent can the Dunkley invention be carried?

Mr. Dunkley, the patentee, and his son, both testify here that the first machine that was built, as an invention of Dunkley, was built in the early part of the peach season of 1902. Mr. Dunkley testifies that he conceived the process in 1901; that this first machine, made in 1902, and the improved machine, which they testify was made in 1902-03, were used in 1903, in the Dunkley Company's factory, at South Haven, Mich., and most of the peaches in that season peeled by the last-men(206)tioned machine. Their testimony is supported by the evidence of other witnesses, either by testifying to circumstances that would indicate that the first or model machine was made in 1902, or directly and positively to the fact. Among these witnesses are Simpson, Schau, Sergeant, Wiers, Mrs. Lilly, Mrs. Mace, and Verhage and wife. The evidence given by Crary and Mrs. Wing Eastabrook is so confusing and contradictory that no weight can be attached to it. There does not seem to be any documentary or circumstantial evidence of any kind tending to support this testimony.

There is much circumstantial and documentary evidence in the case tending to show that Dunkley did not make his first or model machine prior to the summer of 1903. Dunkley made his application for patent on November 29, 1904. Dunkley was an inventor long prior to that time—had taken out patents and knew of the necessity of covering inventions with patents.

There was an interference proceeding between Dunkley and one Beekhuis. In that proceeding the evidence, on behalf of Dunkley carried the date of the construction of his first machine back to July, 1903, only. Mr. Dunkley testified, in the interference proceeding, that he first conceived the thought of the structure in the month of August, 1902, and that he made a drawing in 1902. This drawing, however, is not produced. He testified further in that proceeding that the model machine was made in the month of July, 1903, and put together at the factory at South Haven, Mich., and used there. Other evidence, in the interference proceeding, was along the same line. One witness, a Mr. Newton, produced by Mr. Dunkley in the interference proceeding who testified that this machine was made in July, 1903, now testifies that he was mistaken, and that it was made later that year.

Counsel for the plaintiffs argue that the evidence in the interference proceeding should be construed with reference to the fact, as I understand it, that it was only necessary to prove, in this interference proceeding, that the invention of Dunkley was prior to that of Beekhuis; that it was not necessary for

Dunkley to carry his invention back to the date that he now claims he made it. This contention of counsel does not appeal very strongly to the court. It would seem that these statements of Dunkley, and the evidence produced on that hearing, are very strong admissions that his first or model machine was made in 1903, and not in 1902. In Dunkley Co. v. California Canneries Co., No. 203, in equity, Northern District of California, on December 3, 1903, Mr. Dunkley, patentee, testified that the first machine was put up in June or July of 1903, Mr. M. E. Dunkley, the son of the patentee, testified in both of these proceedings, practically the same as his father.

The books of Mapes, which show on their face their authenticity, indicate that material to construct the first or model machine for the Dunkley Company was supplied to the Dunkley Company in the latter part of September, 1903. The books of Riddeford Bros., of Chicago, are in evidence. These books show that they are old, very much used, and they certainly show on their face that they have not been doctored (207). They show that they have been systematically and accurately kept; that brushes were made for the Dunkley Company, like the brushes used in the first or model machine. The plaintiffs offer no explanation anent this evidence. The books of John F. Noud Lumber Company are in evidence. This company supplied lumber to the Dunkley Company in 1903. They show the delivery of lumber suitable to construct a long table, at which women sat to peel peaches in 1903. There

was such a table in the building, about 150 feet long. The books of John C. Miller, a plumber, of South Haven. Mich., are in evidence. These books show that Miller supplied 300 feet of double-headed galvanized trough to the Dunkley Company July 23, 1903. There was a trough under this long table, on each side thereof, such as would be built from such material. These troughs were used by the women to wash their knives in while they were peeling. The books of Noud and Miller are almost conclusive evidence that that long table was built just prior to the peach season in 1903.

There is no explanation from the plaintiffs as to what such material, sold the Dunkley Company, could be used for, if not used as claimed by the defendants, in the construction of the table. The construction of this table, and the existence thereof, in the peach season of 1903, is utterly inconsistent with the theory of the plaintiffs' case. The plaintiffs claim that a complete and perfect machine, namely, the second machine, was operated during the peach season of 1903, where this long table stood. Plaintiffs further claim that practically all the peaches of the season of 1903 were peeled by the second machine. Several photographs, which witnesses testify were taken in 1903, are in evidence. One of the photographs is this particular long table, with the women sitting at it peeling peaches by hand machines and knives. The photograph of the peaches on the table shows that the peaches were peeled by a knife or hand machine, which made little ridges around the peach. When a peach is peeled

by lye, it is perfectly smooth, and such ridges do not appear. This is inconsistent with the theory of plaintiffs' case. One of these photographs contains a picture of a singular circumstance, tending to show that the picture was taken in 1903. This circumstance is that the picture itself shows a bouquet, containing the date of a party held by the employes of the factory in 1903. There can be no doubt in any one's mind but what that picture was taken in 1903. It shows many of the same people that sat at the long table peeling peaches by hand during that year.

This evidence of these books and photographs must be explained by witnesses, and the explanation has been ample to show that these books and photographs represent what the defendants claim for them. For instance, take the books of Mapes. They recite that the material was furnished for a peach-peeling machine. Mapes and Stewart Campbell corroborate what these books show, and the books certainly corroborate them. The testimony of Mr. Riddeford, concerning his books, is straightforward and clear. He corroborates Stewart Campbell concerning the ordering of these brushes, and the books certainly corroborate both of them. If Stewart Campbell did not order these brushes, as claimed by him, how did it happen that the defendants could find (208) this testimony, and the plaintiffs do not know anything about the account? The books of the lumber company and Miller are satisfactorily explained. They corroborate Stewart Campbell concerning the building of the table in 1903. It is proven by a

great many witnesses that the photograph introduced in evidence of the long table, and the women peeling peaches thereat, was taken in 1903. Some of the reasons assigned by some of these witnesses, for their convictions that this photograph was taken in 1903, are very simple. Each has a different circumstance by which the witness' mind has been refreshed, and which corroborates the witness concerning the date. If these pictures that were taken in 1903 show what was going on in the factory of the Dunkley Company at that time, it certainly would be a most remarkable thing that no photograph was taken of this wonderful machine for peeling peaches, if it existed at that time.

The letters passing between Dunkley and his business associates, the Nortons, strongly corroborate the theory of the defense. If this correspondence had passed between Dunkley and Norton in 1902 and 1903, instead of between 1903 and 1904, it would, of course, have supported Dunkley; but, as the correspondence stands, it supports the defense. For instance, September 17, 1904, Dunkley wrote to Norton, "The peeler works fine;" and on September 22, 1904, he wrote, "The peeling machine is running fine; so are the rotaries." On February 10, 1904, Mr. Dunkley wrote to Mr. Norton:

"We have the lye machine now nearly completed, with the rotary cleaner attached. This machine Mr. Campbell calls the 'prevaricator.' This we are sure will work, as we worked the same thing last year, and there is no question about it."

There is certainly no intimation in this letter that the machine was used in 1902; but does not it clearly show that he was informing his business associates that they had experimented with the machine in 1903?

There is other documentary evidence, such as the books of the Clark Engine & Boiler Company, which throw more or less light upon the controversy. Then there is the testimony of Crosthwaite, which is almost documentary evidence, because it is based upon a newspaper article concerning the operation of the factory. It was written October 1, 1903. He went there for the purpose of writing up an article about the factory, and, if this wonderful peach-peeling machine had been in operation he certainly would have had an account of it in his article. Referring to his article appearing in the paper, he testifies that there was no such machine there.

It is proper that the court should notice especially the testimony of Stewart Campbell. Reference has already been made to much evidence to corroborate his statement concerning the making of the first or model Dunkley machine; but there is much other evidence to corroborate it. The evidence of the plaintiffs shows that Stewart Campbell was regarded as a sort of genius. He was there making new machines. He made the peach separator and a peach pitter. The letters of Mr. Dunkley to his associates show that Stewart Campbell (209) was regarded by him as the man who would most likely make the machine, and they show conclusively that Stewart Campbell made the three-line or second

machine. This is the machine exhibited by the drawings in the patent, and which the defendants claim was never used until 1904. There is no reason in any event for discrediting Campbell's story.

The first or model machine is a reproduction of the Baker orange washer, patented many years before. It is almost an exact reproduction of the drawing set forth in the Baker orange washer patent. The only difference between the first or model Dunkley machine and the Baker orange washer is that in the Dunkley machine there were three pipes, with a single row of perforations in each, while in the Baker orange washer there was one pipe, with three rows of perforations for sprays. In the Dunkley first or model machine brushes as conveyors were put on the belt, instead of some other kind of conveyors, as on the Baker orange washer. The difference between the two is simply a mechanical divergence. I cannot help but think that the idea for the first or model Dunkley machine was taken from this patent. There is no evidence that Campbell ever saw the drawing; there is, however, no evidence that he did not see it. Campbell's testimony would seem to indicate that he wanted it understood that he devised this first or model machine, and that it was an original creation of his own. This may be so, and yet his ideas may have come from a vision of the Baker Orange Washer patent drawing. He may have seen it, and forgotten that he had.

It is also proper that the court should refer to the evidence of William Brunker. It is argued that the

evidence of Brunker is most astounding, and that it should not be believed. Brunker, in his evidence, does not seem to take credit to himself for making any discovery. The process of peeling peaches by hot lye had been known for a generation before Dunkley made his experiments. It was inserted in a publication, known as the "Archdeacon's Kitchen Cabinet," which was in existence in 1876. It had been previously patented by Mrs. McDermott in 1895, and it was well known even in South Haven, where Brunker worked. The method he used was the common form of using that process in peeling peaches. Why, then, is his story to be regarded as startling and unworthy of credit, as claimed by the plaintiffs? His story is very simple; he said that he, at the instance of Mr. Dunkley, experimented with the process of peeling peaches by lye. The only thing he did that could be regarded as new was to rub the peeling off with a brush. He states that Dunkley said, "What you are doing with your hands, we must do with a machine." This is a very simple story. To my mind it corroborates the description given of the machine in the patent. It convinces me that Mr. Dunkley originally thought that the brushes had a great deal to do with the process and the success of the machine.

There are many witnesses, on behalf of defendants, who testify that the Dunkley machine was made in the autumn of 1903, and first used then. Other witnesses testify to circumstances which tend to corroborate these witnesses. Take the evidence of Mrs. De Pue, a

very (210) bright and intelligent lady—a woman of authority in the Dunkley factory. She testifies that she did not want to come to California; refused to come, until they proposed to take her deposition; that when she was approached by the defendants concerning the case she immediately communicated with Melville Dunkley. She went to the office of the Dunkley Company's attorney to tell him what she knew. Subsequently, when she was further approached by agents of the defendants, she communicated the fact to the Dunkleys, and offered to testify for the Dunkley Company, if they wanted her evidence as she stated it to them. This shows that she is a fair witness. Take her simple story that, in the autumn of 1903, she pitted a pan of peaches, peeled by the lye process. She told in a simple way this simple story. She did not remember the small things surrounding the circumstances, and that is to her credit as a witness. If she had been lying, she would have testified to have remembered many of the trifling details concerning which she was asked. Many other witnesses might be mentioned, who told simple stories that strongly sustain the theory of the defense, such as Augensen and Hetherington. The attorneys have so carefully digested and analyzed the evidence that it would not be much labor to state here what each of the great number of witnesses, testifying on behalf of the parties hereto, said; but it is deemed unnecessary.

It is sought by the plaintiffs to discredit the testimony of the witnesses for defendants, because their expenses and per diem were paid to them to come here

and testify. A trip to California might influence the testimony of some witnesses, but it is hardly to be believed that the testimony of so many witnesses could be influenced in such a way. If the expenses and per diem were not paid by the plaintiffs to their witnesses to come here and testify what shall we think of them? Would it not show that they were greatly interested in the plaintiffs winning the case? Then how shall we weigh the circumstances concerning the payment of witnesses' expenses and per diem ,or not paying them?

In view of what has been said, and much more that could be said, the court is convinced that first or model machine ever built for Dunkley to peel peaches by the lye process was built in the autumn of 1903, and no machine at all was built in 1902. The evidence heretofore stated tends strongly to prove that the Dunkley conception was not made until the summer of 1903, and that Mr. Dunkley is wrong in his claim to a conception at a prior date. It is therefore the opinion of this court that the Dunkley patent cannot be carried back beyond the summer of 1903. It seems proper to say that the evidence convinces the court of the above conclusion beyond a reasonable doubt.

Was the Dunkley machine anticipated? Having reached the conclusion that the Dunkley invention cannot be carried back of the summer of 1903, it follows necessarily that the Pyle machine being a combination of the Cunningham prune dipper, the Anderson-Barngrover & Co. prune grader, with the sprays thereon, the Grier grasshopper and shaker machine, with the sprays thereon, and the Roach (so-called) "squirrel

cage" pea-grader attachment, were each and all (211) anticipations of the Dunkley machine, in so far as in issue here. Each of these machines had a spray to wash the peeling from the peaches. The Pyle machine was successfully used in 1901. This is conclusively shown by the records and files of the Pyles, and these are amply corroborated by disinterested third party witnesses. Even if the Dunkley invention could be carried back to 1902, this Pyle machine would be prior. It is wholly unnecessary for the court to describe these machines, for it is plain they were infringing, if not prior.

Much stress is laid upon the claim that the Dunkley machine sprayed the water under hydraulic pressure of great force. If the amount of the pressure were the controlling feature in the case, it would seem that even in this the Dunkley machine was anticipated, for a pump was installed to assist the pressure in the Vernon machine at Fresno, and the Dunkleys did not install a pump to assist the pressure until 1905. But the amount of pressure placed upon the water cannot control here, because it is a matter that must be regulated during the operation of the machine. The amount of pressure is varied according to the character of the fruit and according to the condition of the lye solution. It is simply a question of exercising mechanical judgment in the operation of the machine.

The plaintiffs claim that the Dunkley machine should have a broad interpretation, covering the spraying of the water upwardly on the fruit. The defendants have never used a machine with peeling jets of water

spraying upwardly on the fruit, nor have they used a machine where jets of water strike the fruit tangentially. The question, therefore, concerning the validity of the plaintiffs' patent as to peeling jets or sprays of water playing upwardly or tangentially on the fruit, is not involved in this case.

Dunkley was late in adopting the device of pitting the peaches before subjecting them to the peeling process. The fact that he ran the peaches through the machine whole largely necessitated stronger hydraulic pressure producing the jets of water than was necessitated in the other machines.

The Pasadena washer does not infringe the Dunkley patent, even giving the patent the very broadest interpretation and validity. The Pasadena washer is but an improvement upon the McDermott machine. Mrs. McDermott, it would seem, mothered the progress made by this machine in the handling of peaches. The claim made by the plaintiffs that the Pasadena washer uses a jet or spray of water in the washing of peaches is far-fetched. What difference is there between Mrs. McDermott's machine, where the peaches are lifted out of one compartment of the machine into another, and the water sprayed through holes, and the Pasadena washer, where the peaches are lifted out of one compartment and brought into another with similar holes in the buckets or dippers? In some of the Pasadena washers it is true that the water can be made to spray into a compartment or compartments of the washer, but the defendants never intended that these sprays should be used for the purpose of peeling peaches,

but only for the purpose of filling the vats with water. Such sprays would be wholly inefficent for the purpose of peeling peaches.

(212) Is the Dunkley process patent valid? The most essential feature of this patent is the use of lye or caustic soda in a hot solution. Mrs. McDermott secured a process patent for peeling peaches with lye and alum many years before the Dunkley experimentation. She asked for a claim in her patent without the use of alum, but this was disallowed. Her application for a patent, with such a claim, however, was a disclosure to the world. Then why should Dunkley have a patent for the use of lye or caustic soda, when she could not get one? Her process contemplated the use of hot scalding lye, and then washing the lye off with water. There is an allowance in the Dunkley patent of hydraulic sprays of sufficient force to remove the loosened skin. This, however, is not an essential feature of the process. So far as the process is concerned, the cleaning of the fruit may be done in any manner. The element in the claims of Dunkley's process patent, concerning the passing of the fruit into the range of action of hydraulic sprays of sufficient force to remove the loosened skin, amounts to no more than the patenting of the result of the Dunkley machine. I am clearly of the opinion that there is no validity at all to the Dunkley patent. No. 1,237,623.

The defendants will draw a decree, dismissing the bill and supplement thereto, in accordance with this opinion, and submit it to the plaintiffs.

(Reprinted from 261 Fed. 386.)

DUNKLEY CO. et al v. PASADENA CANNING CO. et al. (Circuit Court of Appeals, Ninth Circuit. October 29, 1919. Rehearing Denied January 5, 1920.)

No. 3316.

Appeal from the District Court of the United States for the Southern Division of the Southern District of California; Oscar A. Trippet, Judge.

Suit by the Dunkley Company and the Michigan Canning & Machinery Company against the Pasadena Canning Company and George E. Grier. Decree for defendants, and complainants appeal. Affirmed.

This is a suit for infringement of letters patent No. 1,104,175, issued July 21, 1914, for a machine or device for peeling peaches and other fruits, and also for infringement of letters patent No. 1,237,623, issued August 21, 1917, for the process of peeling peaches or other fruits or vegetables. From a decree in favor of the defendants, the plaintiffs have appealed.

Many of the questions here involved were before this court on appeal in certain consolidated suits, wherein one of the present appellants was plaintiffs, and parties other than the present defendants were defendants. A decree upholding the validity of the machine patent and adjudging infringement was there affirmed by this court. Central California Canneries Co. v. Dunkley Co. 247 Fed. 790, 159 C. C. A. 648. Reference is made to the opinion in that case for a more complete description of the patented machine or device and the issues involved, as the pleadings in the

several cases are substantially, if not identically, the same.

Before Gilbert and Hunt, Circuit Judges, and Rudkin, District Judge.

Rudkin, District Judge (after stating the facts as above). While there are many assignments of error, the only questions deemed worthy of consideration are the following. The appellants contend: First, that the appellees are estopped by the judgment or decree in the case of Central California Canneries Co. v. Dunkley Co., supra; second, that, regardless of the question of estoppel, the decision in that case should be followed here under the rule of stare decisis; third, that, regardless of the prior decision, the patents in suit are valid; and, lastly, that the patents have been infringed. The court below (387) found against the appellants on each of these several propositions, but in the view we take of the case it is only necessary for us to consider the question of infringement; for, assuming that the decision in that case should be followed here and is binding upon the appellees, the question of infringement was not there involved, because the Grier machine or device then before the court is not involved in the present case. In that case we said:

"The Grier device was never patented. Grier appears to have been connected with the fruit-canning business for many years, and was familiar with the process of dipping peaches in lye as early as 1891, and thereafter washing them with water. In 1902 he formed a partnership with a Mr. Taylor, and leased a canning plant in Pasadena, where they handled

peaches, among other fruits, and from the testimony it would appear that he was considering how to handle a greater quantity, and attempting to devise more efficient means for peeling than the hand method; but the only real experimentation that he made in 1902 was by putting a few peaches in a wire basket and dipping them in the heated lye solution, and then using a hose by hand to wash off the peeling. He says he conceived the idea right then of building a machine to do that work; but there is no testimony to the effect that he did anything in the way of reducing the idea to a practical form, or proving his idea an operative one, until the following summer, 1903, when he built two machines, one for his own plant, and one for another company in Pasadena, not identical with the plaintiff's machine, but embodying the idea of rotation of the peaches as they progressed, and the application of peeling sprays or jets of water. The ideas of Grier and the plaintiff may have been contemporaneous; but there is no evidence of such prior use of the Grier device as to defeat the plaintiff's priority of right. Grier did not apply for a patent for his device, and discontinued the use of his machine when he received notice of Dunkley's claimed infringement."

On the contrary, the Grier machine or device now owned and operated by the appellees is a patented device, and in our opinion differs widely and materially from the device covered by the Dunkley patents. A brief reference to the claims in the respective patents will readily demonstrate this. Under the Dunkley patent the fruit is delivered into an endless conveyor, and passes between rotary brushes for a distance of about six feet; the brushes rotating the peach as it passes

along, so that every portion of the surface is subjected to jets of water striking the fruit tangentially from perforated pipes arranged along the passage, and driven with such force as to remove the disintegrated skin remaining on the peach and cleansing the particles from the brushes.

The appellees' device, on the other hand, is well described in the second claim of the patent as follows:

"In a fruit-treating machine, a cylinder, a series of partitions in said cylinder formed with central openings, said partitions dividing the cylinder into a series of communicating compartments adapted to contain a body of liquid, a revoluble shaft extending axially of the cylinder, a series of perforated projected screw blades of relatively great pitch, offset and angularly disposed to each other, mounted on said shaft, one blade in each compartment, adapted on rotation of the shaft to pick up the fruit deposited in one compartment and eject it into the adjacent compartment through the opening in the partition, and whereby the fruit may be advanced step by step throughout the length of the cylinder and finally discharging therefrom." (388)

In view of the prior state of the art, it is quite apparent to us that there is a substantial and material difference between the two devices. The art of peeling peaches by the use of hot caustic soda or lye, and then removing the disintegrated skin by the use of water, was well known years before the application for the Dunkley patent was made. The manner of using the

caustic soda or lye was always the same, but the mode of removing the disintegrated skin varied from time to time, from merely dipping the peaches in water in a perforated bucket, to the use of a common hose. In view, therefore, of this prior state of the art, the Dunkley patents must be limited to the particular means employed, and those means must be limited to directing peeling jets of water upon the fruit as described in the patent. For if the patent should be construed to cover every possible means for removing the disintegrated skin by the use of water it would grant an unwarranted monopoly, and, furthermore, the patent would be rendered utterly void because of anticipation and prior use. The court below saw the different machines in operation, and its conclusion upon the facts that there was no infringement is manifestly right.

Some question has been raised as to the costs or witness fees in the court below, but no particular item is objected to, and we see no reason for disturbing the conclusion of the court in that regard.

The decree is therefore affirmed.

"United States Circuit Court of Appeals for the Ninth Circuit.

"Dunkley Company and Michigan Canning & Machinery Co., plaintiffs-appellants, vs. Pasadena Canning Company and George E. Grier, defendants-appellees.

Equity No. 3316

Petition To Rehear

(Excerpts from Petition)

"In this case the main defendants' machine sued on in the original bill of complaint is identical in structure with the defendants' structure held to infringe in the Central California Canneries case, 247 Fed. 790. Defendant Grier built both machines, and this machine of the defendants here was used after notice and during the peach season of 1914, by both the defendants herein. (The Pasadena structure was later and was brought in by supplemental bill.)

"Thus an order of this Court affirming the decree of the Court below is, on the face of the pleadings and proofs, a substantial holding that the structure held to infringe in the first case is not an infringement here." * * *

"This is made the subject matter of Assignment of Error 63, which assignment is in the following language, R. p. 14, 63:

"'63. The Court erred in not holding that the machine of George E. Grier before the United States Court of Appeals for the Ninth Circuit, appearing in exhibit, Certified Copy of Record of Appeals, pages 27-35 inclusive, and also exemplified in Plaintiffs' Exhibit No. 9, is an infringement of Patent No. 1,104,175, and that the use thereof constitutes an infringement of the process patent No. 1,237,623.'

"(Exhibit No. 9 is appended hereto.)"

"This is defendants' first structure and is discussed at p. 240 of Plaintiffs-Appellants' main brief, under the heading 'Infringement is Clear. Assignments 62 and 63.'"

"United States Circuit Court of Appeals for the Ninth Circuit.

"Dunkley Company and Michigan Canning & Machinery Co., plaintiffs-appellants, vs. Pasadena Canning Company and George E. Grier, defendants-appellees.

Equity No. 3316

MOTION OF PLAINTIFFS-APPELLANTS TO REMAND AND REOPEN

In the presentation of this motion pages 1309, 3508, 3510, 3511, 3512, 3513, 3514, 3515, 3516, 3518, 3519, 3521, 3529, 3536, 3546, 3547, 3548, and 3822, 3823, 3824, 3825, 3829, and 3830 of the record in the above entitled cause, as well as pages 315, 320 and 342 of the record in the case at bar were referred to and quoted as clearly showing the first Grier device involved in the case.

Statement of Judge Gilbert at the conclusion of the argument.

"JUDGE GILBERT: It occurs to the court that the only question here is whether or not a sentence in the opinion of this court should be corrected or modified, and that matter will be sent to the judge who wrote the opinion of this court on the merits of the case. *We were very firmly of the opinion that the decision of the court below should be affirmed.* The present motion will be denied. It is possible that the sentence in the opinion referred to may be corrected."

"Supreme Court of the United States, October term, 1919.

"Dunkley Company and Michigan Canning & Machinery Company, petitioners, vs. Pasadena Canning Company and George E. Grier, respondents.

PETITION FOR WRIT OF CERTIORARI FROM THE SUPREME COURT OF THE UNITED STATES TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE NINTH CIRCUIT

(Excerpts from petition)

"To state the entire matter more in detail, with specific reference to the record:

"I. The court herein has in effect overruled its former decision. In the instant cause the United States Circuit Court of Appeals for the Ninth Judicial Circuit comprising Circuit Judge Gilbert presiding, Circuit Judge Hunt and District Judge Rudkin who wrote the opinion, affirming the decree of the District Court for the southern District of California, Southern Division, Judge Trippet presiding, has, in holding the Dunkley patent not infringed, in effect overruled the former decision of the same court, differently constituted as to membership, in the case of Central California Canneries Co. vs. Dunkley Co. (247 Fed. Rep. 790.)" * * *

"II. The Court of Appeals herein has refused to consider the first Grier structure as before it, notwithstanding the entire record in the former case was here stipulated, and the fact that that structure was put in evidence without objection, and conceded to be before the court by counsel for both parties, the appellate court raising the question of its own motion." * * *

"This ruling is contrary to the evidence and to the concessions and statement of counsel for both sides, and is wholly unwarranted by the record."

The full copy of the petition is on file in the above entitled case in this court.

To these points the respondents replied:

"Was the legal effect of the proceedings in the Circuit Court of Appeals subsequent to the handing down of the written opinion, a refusal of that court to pass upon the issues necessarily before it with the first Grier machine in the case, or, as expressed by counsel for petitioners, an adherence to the statement contained in the original opinion that the machine was not involved? If so, we unhesitatingly join with the petitioners in requesting this court to take cognizance of the case. It would, indeed, be a grave judicial wrong for parties to be turned out of court without a determination of issues actually presented and necessary to be decided to a complete disposal of the controversy, especially when both parties had gone to heavy expense in litigating these very issues.

"But we respectfully insist that the Circuit Court of Appeals has disposed of these very issues adversely to the plaintiffs. The issues and the necessity of a decision thereon were forcefully presented to the court in the petition for a rehearing. In view of the petition, the court could not very well have been in any doubt as to the first Grier machine being in the case. When the court denied a rehearing, the effect of its order was to resolve the issues thus specifically called to its attention and before it against the plaintiffs. The court adhered to its judgment of affirmance of the decree appealed from. The issues were all purely issues of fact. The only question was whether the findings of the trial judge were 'supported by the credible testimony of reputable witnesses.' (Butte & Superior Copper Co. v.

Clark & Montana Realty Co., 249 U. S. 12, decided March 3, 1919.) No discussion of these issues was necessary. The effect of an adjudication is not dependent upon a written opinion. (Napa Valley Electric Co. v. Railroad Commission, decided by United States Supreme Court, January 19, 1920, and reported in U. S. Supreme Court advance sheets, Feb. 15, 1920, p. 202.) A denial o fa petition for rehearing may be a binding determination of issues presented by the petition. (Mayo v. Washington, 122 N. C. 5, L. R. A. 163, 166.)

"That the court considered its denial of a rehearing, under the circumstances a disposition of these issues, is quite plain from the statement delivered on February 2 at the conclusion of the argument upon plaintiffs' supplemental motion, when it was said, among other things:

" 'We were very firmly of the opinion that the decision of the court below should be affirmed.'

"While it might have been gratifying to counsel to have had Judge Rudkin rewrite his opinion, we can very readily appreciate how he considered such a course unnecessary. The issues had been fully determined by the denial of a rehearing. The effect of the denial had been construed by the court. Indeed, to argue otherwise would be to cast an unwarranted reproach upon our judicial processes.

"And it is significant that petitioners themselves, at points in the petition, recognize that the effect of the action of the Circuit Court of Appeals was to determine these very issues adversely to them (p. 2 of Petition.)"

"The Supreme Court denied the petition, April 26, 1920."

(Reprinted from 277 Fed. 989.)

DUNKLEY CO. v. CALIFORNIA PACKING CORPORATION.
(District Court, S. D. New York, April 23, 1920.)
No. 572.

In Equity. Suit by the Dunkley Company against the California Packing Corporation. Decree for defendant.

AUGUSTUS N. HAND, District Judge. This is a suit for infringement of letters patent No. 1,104,175, issued July 21, 1914, to Samuel J. Dunkley, and letters patent No. 1,237,623, issued August (990) 21, 1917, to the same person. The first patent relates to machines for peeling peaches or other fruit or vegetables, and the second to an improved process for peeling peaches or other fruit or vegetables. The claims in the first patent relied on are 5, 6, 14, 19, 20, 21, 22, 23, 24, 25, and 26, and in the second, 4, 5 and 7.

The first patent was held valid and infringed in a suit by the above-named complainant, the assignee of the patent, against the Central California Canneries Company, and the decree of Judge Van Fleet in that case was affirmed in the Circuit Court of Appeals for the Ninth Circuit (247 Fed. 790).

Both patents were held invalid for anticipation and lack of invention in the case of Dunkley Co. and Michigan Canning and Machinery Co. v. Pasadena Canning Company and George E. Grier (261 Fed. 203), by Judge Trippet, and his decision has been recently affirmed by the Circuit Court of Appeals of the Ninth Circuit (261 Fed. 386). Judge Rudkin, who wrote the

opinion, did not place the decision upon anticipation or lack of invention, but upon noninfringement. He said as to the first decision of the Circuit Court of Appeals:

"For assuming that the decision in that case should be followed here and is binding upon the appellees, the question of infringement was not there involved, because the Grier machine or device then before the court is not involved in the present case."

The foregoing language of the decision of the Circuit Court of Appeals would seem to me to indicate that the court, while it did not attempt to disturb the decision between the parties in the prior case declined to consider the question of anticipation there involved and to say whether it would follow its former decision or not, contenting itself with disposing of the question of infringement only.

After hearing the testimony, I was very clear that the complainant had not a valid patent, and that the decision of Judge Trippet was correct. As the Circuit Court of Appeals for the Ninth Circuit upon a different record from the one presented to me had held the original patent valid, and shortly after the briefs were submitted I learned that the appeal in the second case was soon to be heard, I thought it better to make no disposition of the matter until the Circuit Court of Appeals had passed upon a record not very dissimilar to the one before me, and had a chance to determine whether or not Judge Trippet was right in the decision of the case that seemed at first sight

to differ from the first decision of the Circuit Court of Appeals. I confess I regret to have had no more definite disposition of the various findings of Judge Trippet, but as I have examined the voluminous briefs and the printed record of the testimony before me and some excerpts from the testimony in the other cases, I am more convinced than ever that complainant should not prevail.

At the very outset complainant is met by the very formidable defense that the defendant is a licensee under the Dunkley patents. The Dunkley Corporation granted a license to the California Fruit Canners' Association—

"For the benefit of itself and its successors * * * for the use of the said invention in connection with its business relative to the canning or treatment (991) of fruit * * * the said license herein granted to be for the benefit of the said California Fruit Canners' Association and its successors for the full term of years of any letters patent which may hereafter be granted for the invention set forth in the said application Ser. No. 234,715 now pending in the United States Patent Office."

It may be here noted that the foregoing application seems to have been divided in the Patent Office, and thereafter to have resulted in the two patents in suit.

After the above license was granted to the California Fruit Canners' Association, that corporation sold, transferred, and assigned to the defendant its "busi-

ness, franchise and property as a whole," and since such sale has never done any business. The defendant thereafter reduced its capital stock, and about two months after the transfer acquired all but ten shares of the stock of the California Fruit Canners' Association. The transfer was accompanied by an agreement of the defendant to assume all the debts and obligations of the transferor.

The defendant insists that under these circumstances, although no merger or consolidation was technically affected, nothing was left of the California Fruit Canners' Association but a mere corporate shell, and that the transaction was in effect a merger carried out in the only way then possible under the California statutes.

In the case of Lightner v. Boston & Albany Railroad, 1 Low, 338, Fed. Cas. No. 8,343, there was a Massachusetts statute providing for the consolidation of the Boston & Worcester and Western Railroad corporations. The Boston & Albany Railroad was formed pursuant to this legislation, and the statute declared that the new corporation should have, hold and enjoy all the powers, rights, privileges, franchises, property, claims, demands, and estates which at the time of such union were held and enjoyed by either of the then existing corporations. The old corporations were still kept in existence for certain purposes, but the court held that a license belonging to the original companies to use a patented invention passed to the Boston & Albany Railroad. In that case the word "successors"

does not seem to have appeared in the licenses. This case was referred to by the Supreme Court with approval in Lane & Bodley v. Locke, 150 U. S. 193, 14 Sup. Ct. 78, 37 L. Ed. 1049. That court, in citing the Lightner Case, said that it was there held:

"That a license, though not usually transferable, is transmissible by succession to a corporation formed by the union of two licensees succeeding to the obligations of both, for the reason that the consolidated company is the successor rather than the assignee of the original companies."

In the Lane & Bodley Case it appeared that a copartnership which had obtained an implied license was incorporated. While it is true that there the patentee worked for the corporation as well as the partnership and there were thus other facts than the mere practical perpetuation of the copartnership in corporate form, nevertheless the transmission of the license by reason of the practical identity of the business of the partnership and the corporation was, in the opinion of the court, an apparent incident of the transaction.

In the case of Hapgood v. Hewitt, 119 U. S. 226,7 Sup. Ct. 193, 30 (992) L. Ed. 369, the court held that a license to a corporation, afterwards dissolved, would not pass to a corporation which had been formed by the stockholders of the defunct company, where there were no words indicating the right of the licensee to assign.

In Niagara Fire Extinguisher Co. v. Hibbard, 179 Fed. 844, 103 C. C. A. 330, the Circuit Court of Ap-

peals for the Seventh Circuit held that a corporation which took from another, afterwards dissolved, all of its property, profits, and good will by a bill of sale, but without assuming any of the liabilities of the grantor, was not the legal successor of such grantor and did not succeed to its right under a contract granting it a license which by the terms of the contract was not assignable without the consent of the patentee.

In the present case the license was—

"For the use of the said invention in connection with * * * (the) business relative to the canning or treatment of fruit * * * the said license herein granted to be for the benefit of the said California Fruit Canners' Association and its successors."

The word "successors" originally was used in connection with a corporation sole, where the person, but not the corporate entity, would change. It was also used in connection with an aggregation of persons named in the charter, who would necessarily change, and to whom corporate franchises were granted. These words in the license granted to the California Fruit Canners' Association add nothing and have no significance if they are to be taken in the antique sense for which the complainant argues. I think the use of the word "successors," in connection with the other words, "for the use of the said invention in connection with its business relative to the canning or treatment of fruit," clearly indicates a purpose to allow the transmission of the license to a corporation fairly succeeding to the business of the California Fruit Canners'

Association. Any other interpretation would seem technical and unjust under the circumstances.

The cases of Lightner v. Boston & Albany Railroad, and Lane & Bodley v. Locke, supra, are in line with the results that I have reached and show that the federal courts have treated situations like the present in a broad way and have allowed corporations succeeding to the business of a licensee to succeed to the license where the particular circumstances of the case warranted such a result.

The case of Niagara Fire Extinguisher v. Hibbard, supra, seems in a general way to support the view I have taken. It is true that the decision was that the license would not pass, but that was because there was a contract against an assignment without the consent of the licensor in the bill of sale from the licensor to the new company. The court said:

"The grantee neither assumed nor took the property subject to, the liabilities of the grantor. * * *"

And the court added that—

"The Ohio Company was not the successor (or heir) of the West Virginia Company." (993.)

Apparently the court would have reached a different result if there had not been a covenant against assignment, and the word "successor" had been used.

Coming to the question of the validity of the patent to Dunkley it is first necessary to consider the date of his invention. His attempt to carry it back to August, 1902, seems to be met by an overwhelming

weight of testimony to the contrary. This weight of testimony is sought to be answered principally by that of Dunkley himself his son, and Mrs. Easterbrook, his sister-in-law, and the witness Harvey Schau, at present an employee of the Dunkley Company. There are other witnesses who in general seem to have been employees. The defendant in answering Dunkley's testimony has been obliged to go into the enemy's camp and in doing so has presented a great number of witnesses who knew nothing of a machine constructed in 1902. More than that, Dunkley, in his preliminary sworn statement in the Beekhuis interference proceeding, said:

"That he conceived the invention set forth in the declaration of interference during the month of August, 1902, that the invention was first disclosed by him to us during the month of September, 1902; that a drawing of the invention was made during the month of September, 1902; that he made no model of the invention; that the invention was first embodied in a complete working structure during the month of July, 1903. * * *"

Moreover, in the case of Dunkley Company v. California Canneries' Company Dunkley testified, on December 3, 1915, as to his original experimental machine, as follows:

"Q. When was the first put up? A. As near as I can remember, it was June or July of 1903."

It was not until the later litigations, when the date of the Grier machine came into question, that Dunkley

testified that a machine was constructed in the autumn of 1902. It is significant that no drawings such as Dunkley claims that he made in 1902 have ever been produced, and that the disclosure of his invention to his son substantially depends upon the testimony of these two interested witnesses. Judge Trippet has discussed this testimony carefully and has reached the conclusion that Stewart's testimony that he made the first machine in 1903 is correct.

The Norton letters in view of the close financial relations between Dunkley and Norton, and his apparent dependence upon the latter as a financial backer, strongly corroborate the position of the defendant.

In the various alleged anticipating devices which were exhibited to me at the time of the trial, the one which impressed me most was the Baker-Chalker machine. This seemed to work perfectly and the use of one like it at the Fresno Packing House of the California Fruit Canners' Association in 1902 was a clear anticipation of the patent in suit. No definite pressure is called for by the first patent to Dunkley, and the pressure which was used at the Fresno plant was evidently sufficient to peel a very large number of peaches.

The witness Fred Stebley was called for the first time before Judge (994) Trippet. He saw the operation of the Baker-Chalker machine in 1902, and testified as follows:

"Well, I observed that it was a new application of the machine which I had not seen before, and it was

being used as I say in which to remove the peel from peaches preparatory to canning and it was done in conjunction with—by using water in conjunction with the brushes."

There can be no doubt whatever that all this occurred in the summer of 1902. Stebley refreshed his recollection from a letter which he had written in July of that year, and Vernon died in December.

Horace G. Baker likewise testified before Judge Van Fleet in the San Francisco case as follows:

"Q. Describe the action of the water and of the brushes on the fruit as you observed it at that time. A. The brushes themselves turned this fruit over as they touched it and the water washed the skins off. There was not much left but this disintegrated soft pulp, like a pulp almost."

R. I. Bentley was likewise a witness who testified for the first time as to the Vernon use before Judge Trippet. He said that the whole pack of peaches at the cannery in the neighborhood of 100,000 cases, was peeled in 1902 by the Baker-Chalker machine. He said:

"The water had the effect of cleansing the brushes and the fruit."

He also said (at page 3697 of the Los Angeles record):

"Why, as I stated, there were three perforated pipes, one played on one brush and one on the other and on the fruit."

This testimony which was before Judge Trippet was significant. Moreover Mr. Bentley testified before me that 50 per cent of the pack went through in halved condition because it had not been pitted and was found difficult to handle after it was reduced to a pulpy condition by passing through the machine.

The Baker-Chalker machine was not before Judge Van Fleet and if it had been supplemented by the additional testimony that was before Judge Trippet I believe he would have had no doubt that a valid prior use was established. The very fact that there is testimony from Cobbey and Combs that in the afternoon when the water pressure was lower, they applied a pump to increase the pressure seems to show the use of the jets in peeling the peaches, and the identity of function between the Baker-Chalker machine exhibited to me and that of Dunkley is convincing evidence that the latter contributed nothing to the art which can be regarded as amounting to invention.

The specification of the patent in suit provides as follows:

"My invention consists in the means I employ to practically accomplish this object or result; that is to say, it consists, in combination with a peel or skin softening, disintegrating or shriveling means or device, preferably consisting of a tank or chamber containing a heated fluid, and a heater for the same, a conveyor for automatically conveying the peaches through the skin softening, disintegrating or shriveling device and subjecting the peaches to its action for uniform and measured time, a chute or device for delivering the

peaches in single file line to a brushing and washing mechanism, and a peach brushing and washing mechanism, preferably comprising a group of three long perforated pipes for spraying water upon the moving line of peaches, and subjecting them to a water brushing action, an endless belt brush arranged between the (995) two lowermost perforated pipes and operating to brush the peaches as they are rotated and to convey them along, and a pair of oppositely rotating cylindrical brushes operating both to rotate and brush the peaches, and having hollow perforated pipe cores for spraying the rotary brushes with water, and rotary cylindrical rubber sponge brushes, also having hollow perforated pipe cores for supplying the same with water; whereby the peaches may be very rapidly and cheaply and perfectly peeled, without waste or injury."

It is true that the claims in suit rely specifically upon jets of water as a means of peeling the peaches, but their language I think is to be taken in connection with the disclosure of the specification which certainly shows a co-operation of the brushes which carry the peaches with the peeling mechanism. A similar co-operation was exhibited in the Baker-Chalker machine. If the claims be read so broadly as to ignore the general form of mechanism described in the specification and shown in the drawings and to the extent of discarding the brushes, it would seem to me that the Pyle peach-peeling apparatus which employed no brushes to turn the fruit would read on the claims. In view, however, of the fact that the Pyle peach-peeling apparatus employed no brushes to turn the fruit and

that this mechanism seems an essential part of the Dunkley device, I shall not base my decision upon the alleged prior use of Pyle. Nor shall I rely, as Judge Trippet did, upon the Grier invention because of some possible uncertainty as to the date of the latter and the reduction of the invention to practical use. While I am inclined to agree with Judge Trippet that both of these devices are a bar to the complainant's patent, I prefer to rely upon the Vernon use of the Baker-Chalker machine.

As for the Roach prior use, I have some doubt as to its practicability in handling a large number of peaches, and never regarded either that or the McDermott process as having a close bearing upon the question of invention.

As it is my opinion that no invention was involved in the Dunkley patent, it is unnecessary to consider the question of infringement in the various devices before the court.

The second patent to Dunkley is for a process involved in the operation of the Dunkley machine, that is to say, for a mere function, and is therefore invalid. Risdon Iron & Locomotive Works v. Medart, 158 U. S. 68, 15 Sup. Ct. 745, 39 L. Ed. 899; Westinghouse v. Boyden, 170 U. S. 556, 18 Sup. Ct. 707, 42 L. Ed. 1136.

For the foregoing reasons, the bill is dismissed, with costs, in respect to the first patent for lack of invention, and, in respect to the second patent, because it covers only the function of an apparatus already patented.

(Reprinted from 277 Fed. 996.)

DUNKLEY CO. v. CALIFORNIA PACKING CORPORATION.

(Circuit Court of Appeals, Second Circuit.
May 25, 1921.)
No. 231.

Appeal from the District Court of the United States for the Southern District of New York.

Suit in equity by the Dunkley Company against the California Packing Corporation. Decree for defendant, and plaintiff appeals. Affirmed.

Certiorari denied 255 U. S.—, 42 Sup. Ct. 54, 65 L. Ed. —.

Plaintiff as assignee and owner sues on two patents covering the inventions of Samuel J. Dunkley, viz., No. 1,104,175, for a "machine for peeling peaches and other fruit," and No. 1,237,623, for a "process of peeling peaches or other fruits or vegetables."

These patents rest upon a single application filed by Dunkley November 29, 1904—subsequently divided so as to separately produce the above referred to machine patent and process patent.

The history of these Dunkley patents is to be found in the reports. One Beekhuis applied on May 25, 1904, for patent upon "apparatus for removing the skin from fruit;" patent issued September 3, 1907, No. 864, 944. Beekhuis was subsequently put into interference with Dunkley and the latter succeeded in taking from Beekhuis what are now claims 19-22, inclusive, of the machine patent. Dunkley v. Beekhuis, 39 App. D. C. 494. (997.)

Beekhuis had assigned his patent to the California Fruit Canners' Association which then instituted in the Patent Office a "public use proceeding," which Dunkley sought to prevent by praying for a mandamus against the Commissioner. In this he was defeated (United States ex rel. Dunkley v. Ewing, 42 App. D. C. 176), but the Association above named withdrew its application for said proceeding on May 25, 1914. Thereafter the machine patent issued on July 21, 1914.

This left pending application for the process patent, which was put in interference with one Monte; the invention of the latter being owned by the same concern as the Beekhuis patent. In this interference Dunkley also prevailed in February, 1917 (Monte v. Dunkley, 46 App. D. C. 70), and thereafter Dunkley's process patent issued on August 21, 1917.

It is plain that Dunkley's real opponent in the Patent Office was the California Fruit Canners' Association, and cotemporaneously with the abandonment by that concern of its "public use proceeding," and for a nominal consideration the plaintiff herein executed a license to its opponent for and under whatever patents might be ultimately granted upon the Dunkley application of November 29, 1904.

This license is dated May 22, 1914, and the words here important are as follows:

"Now therefore, be it known, that for and in consideration of the sum of $10 in hand paid by the California Fruit Canners' Association unto the said Dunkley Company the receipt whereof is hereby ac-

knowledged, the said Dunkley Company does hereby grant unto the said California Fruit Canners' Association for the benefit of itself and its successors, a license free of royalties of any kind whatsoever, for the use of the said invention in connection with its business relative to the canning or treatment of fruit, granting unto the said California Fruit Canners' Association the free right for the use of any machine or machine or invention owned or controlled by the said Dunkley Company"—and covered by the patents expected to grow out of the application aforesaid.

The license agreement continues that it is granted "for the benefit of the said California Fruit Canners' Association and its successors for the full term of years of any letters patent which may hereafter be granted for the inventions" disclosed in the aforesaid application.

In August 1915, plaintiff sued upon its then recently granted machine patent in the Northern District of California, summoning as defendants numerous companies engaged in the canning of fruit, especially peaches, including the Griffin & Skelley Company and the Central California Canners' Company. In this case Dunkley prevailed. Central, etc., Co. v. Dunkley Co., 247 Fed. 790, 159 C. C. A. 648.

Within a fortnight after the lower court's favorable decision in the case just cited, this plaintiff began action against another alleged infringer in the Southern District of California. The process patent had not yet issued and suit was begun on the machine patent alone. Subsequently and in April 1918, the suit was

enlarged by supplemental bill so as to count upon the process patent also. It was then brought to trial and the bill dismissed, the trial court holding that the Dunkley machine invention could not be "carried back beyond the summer of 1903" and was under the evidence anticipated. That court was "clearly of the opinion that there is no validity at all" in the Dunkley process patent wherefore the bill was dismissed. The appeal resulted in affirmance, but upon the ground of noninfringement. Dunkley Co. v. Pasadena, etc., Co. (C. C. A.) 261 Fed. 386.

This present suit was brought before the decision of the District Court for the Southern District of California adverse to the patents. A. N. Hand, J., followed the reasoning, and reached the conclusion of Trippet, J., in the last-mentioned California case. But the issues in this litigation differ from those in any of the preceding causes. Here, as there, anticipation and lack of invention are advanced by the defense; but in addition there is a plea of license growing out of the following uncontradicted facts:

The California Fruit Canners' Association is a corporation of California. After it obtained the above-recited license it continued to carry on its busi- (998) ness until November 1916. At that time it sold, transferred, and assigned to this defendant, the California Packing Corporation (which is formed under the laws of New York), all its "business, franchise and property as a whole," including its good will and all its real and personal property.

It is not denied that this transaction was and is in accord with the law of California, which does not permit the the express merger and consolidation of corporations.

Defendant by its contract of purchase assumed all the debts, obligations, and liabilities of the California Fruit Canners' Association, and since the purchase aforesaid defendant has carried on the business of its assignor or predecessor. It has also acquired additional canning plants, including especially those of Griffin & Skelley and the Central, etc., Co., which were two of the unsuccessful defendants in the suit brought in the Northern District of California.

Since the sale in November, 1916, the California Fruit Canners' Association has done no business, but shortly after said sale its capital stock was reduced to a par of $3,000 and all its assets (except $3,000) were distributed among its stockholders. The defendant herein has acquired all of this $3,000 part of stock (except eight shares) and is now the holder and owner of the same.

The decree below (appealed from by plaintiff) held: (1) That defendant during all the times complained of was a licensee of plaintiff; (2) that both the patents in suit are "invalid, null and void."

Before Rogers, Hough, and Manton, circuit judges.

HOUGH, Circuit Judge (after stating the facts as above). The above statement shows that the license of 1914 was a settlement of expensive conflict between Dunkley and the Fruit Canners' Association; the con-

sideration is manifest entirely apart from the formal recital.

Two phrases of this document are especially important: (1) The association is licensed "for the benefit of itself and its successors" and (2) the privilege is granted for the use of the Dunkley invention "in connection with (the association's) business relative to the canning or treatment of fruit."

One preliminary contention may be put aside; it is suggested that, since the license is merely to use no one acting thereunder can make the licensed article. This is not true for "if the circumstances indicate such an intention, a license to use implies a license to make the thing to be used." Edison, etc., Co. v. Peninsular Light, Power & Heat Co. (C. C.) 95 Fed. 669, 676, citing cases. In 1914 all that Dunkley had were applications for two patents, one for a machine, the other for a process; and every circumstance points to the conclusion that his licensee was expected to make or have made whatever machine it desired to use; while, as for the process, it is difficult to see how any one can be licensed to use a process, without by necessary im- (999) plication having the right to devise and build whatever apparatus exemplifying the process seems good to the licensee.

Considering the first phrase of the license agreement: While the word "successor" is a term of art, it is of the most general signification, meaning no more than "one who follows or comes into the place of another." Historically it is the equivalent, when applied

to a corporation, of the word "heir" in connection with a natural person. Bouv. Law Dict. and citations. In conveyancing it is necessary to insure more than a life estate in a corporation sole (Boston v. Sears, 22 Pick. [Mass.] 122), but, though usual, a grant to a corporation aggregate without the phrase is prima facie in perpetuity, inasmuch as the company is usually perpetual (Union Co. v. Young, 1 Whart. [Pa.] 410, 425, 30 Am. Dec. 212; Chancellor v. Bell, 45 N. J. Eq. 538, 541, 17 Atl. 648.)

Doubtless a license, without more, is but a personal privilege expiring by operation of law with the death of the licensed individual, or with the cessation of business life in the case of a corporate recipient (Keystone, etc., Foundry v. Fastpress Co. [C. C. A.] 272 Fed. 242, Op. filed Feb. 2, 1921), yet if the grant be also to heirs or successors it is plain that the property is descendible. Usually descendibility carried with it the quality of assignability, and it has been held that the words "heirs or successors" import assignability. Wood Harvester Co. v. Minneapolis, etc., Co. (C. C.) 61 Fed. 256, 258.

"Successor" is a plastic word, and "in modern acceptation has a broader significance than succession in respect to the estate of a deceased. It may mean * * * succeeding to a place, or a right, or an interest or a power, official or otherwise. It may mean succession in corporate control." American, etc., Co. v. Campbell, 138 Fed. 531, 534, 71 C. C. A. 55, 58.

Both from reason and authority we conclude that a grant to a corporation and its successors is a phrase

to be interpreted according to the surrounding circumstances. There can be no doubt that one corporation may be the successor of another, although there is neither a merger nor technical consolidation. Lightner v. Boston, etc., Co., 1 Low, 338, Fed. Cas. No. 8,343. Indeed, where what is ordinarily called consolidation occurs, the presumption (in the United States courts) is that all the constituent companies retain their corporate identity. Keokuk, etc., R. R. v. Missouri, 152 U. S. 301, 305, 14 Sup. Ct. 592, 38 L. Ed. 450. Two corporations may "remain separate legal entities and yet be merged for all practical purposes," as was said in Southern Pacific Co. v. Lowe, 247 U. S. 330, 337, 38 Sup. Ct. 540, 62 L. Ed. 1142; but always it is necessary to consider the connection in which words of succession, merger or consolidation are used.

The second phrase above quoted from the license shows that the Dunkley devices were to be utilized in a business; context and evidence prove that that business was the preserving of fruit, for which the peeling thereof was and always would be necessary. There was thus excellent reason for stating that the invention was licensed for use "in connection with" the association's business; and it is reasonable to read (1000) the phrase of succession in conjunction with the phrase relating to a business use.

A license is but "the right not to be sued," yet it is also a piece of intangible, incorporeal personal property, and, in the nature of its estate, does not differ

from any other privileges or (in a very broad sense) franchises.

It is this similarity which renders applicable to the matter in hand such cases as International, etc., Co. v. Smith County, 65 Tex. 21, and Grand Canyon, etc., Co. v. Treat, 12 Ariz. 69, 95 Pac. 187, affirmed 222 U. S. 448, 32 Sup. Ct. 125, 56 L. Ed. 265, where, speaking of the privilege of exemption from taxes as passing from the exempted corporation to one purchasing its property in foreclosure, the court held that—

"The word 'successors' is evidently used to designate such corporations or persons as may in any lawful manner acquire the proprietorship of the corporate rights and property through which they are to be exercised."

In these cases the privilege of exemption was held to be attached to the property and the "successor" reasonably and legally to be that company which "came into the place of" the original recipient of the privilege. In like manner, an easement (another piece of incorporeal but descendible property) has been held when granted to one "and his successors" to be attached to the business of a certain store and to pass with the business, Ainslie v. Eason, 107 Ga. 747, 33 S. E. 711.

Without any written license the doctrine here contended for by appellee was enforced in Wilson v. Wilson Corp. (D. C.) 241 Fed. 494, and in Lane, etc., Co. v. Locke, 150 U. S. 193, 14 Sup. Ct. 78, 37 L. Ed. 1049 it was held to be sufficient to work a succession to a license privilege enjoyed by a copartnership, that

the succeeding "company was organized upon the same basis as the firm; that the business of the company was to be the same as that carried on by [the firm], and to be carried on in the same premises; that the entire property and assets of the firm and its liabilities and obligations * * * devolved upon the company." This decision sufficiently discusses and distinguishes the earlier decisions.

Nor is it perceived that Niagara, etc., Co. v. Hibbard, 179 Fed. 844, 103 C. C. A. 330, favors appellant's contention, though much relied upon. In that case the patentee gave a corporation a ten-year license without any clause of succession. During the ten-year period, the licensee in question transferred all its property to a new company formed in another state, but the new concern did not assume the liabilities of the assignor. It was held that the second corporation was "not the successor or heir" of the original one. Plainly in that case there was no intention to make a perpetual grant. Again, it is of the essence of a legal succession that in all material respects the succeeding corporation should stand in the boots of the old one, and the deliberate omission to assume liability was itself enough to prevent that continuity of business and corporate life which is the essence of succession. (1001.)

Result is that when in due legal form this defendant succeeded not only to the business but (as proven) to the franchise, property, liabilities, and good will of the Fruit Canners' Association, it became within

the purpose and meaning of the license agreement the successor of the licensee.

It is urged that this result is an attack upon Dunkley's rights as assured in the case brought in the Northern District of California, because he there obtained injunctions against two canning companies which have now been acquired by this defendant. But this is a mistaken view of legal rights; the injunction referred to necessarily ran against certain corporations; it affected the corporate personalty, and a license likewise affects persons and corporations, and does not directly reach machinery and buildings. The Griffin & Skelley Company and Central California Company may well remain under injunction and be required to account; but that is no reason why an unlimited licensee of Dunkley's may not buy the property of these two enjoined corporations and under his license use on his own property and in his own business machines properly forbidden to the former proprietors.

Holding as we do that this defendant is the plaintiff's licensee we need not go further and consider the validity and scope of Dunkley's patents. On this point we express no opinion but affirm the decree below on the sole ground of license. Appellee will recover costs.

Supreme Court of United States. Dunkley Company, petitioner, vs. California Packing Corporation, respondent. Certiorari denied, October 21, 1921.

(Reprinted from 277 Fed. 1001.)

DUNKLEY CO. v. CENTRAL CALIFORNIA CANNERIES CO. et al.

(District Court, N. D. California, Second Division. August 22, 1921.)

No. 201.

In Equity. Suit by the Dunkley Company against the Central California Canneries Company and others. On motion to reopen decree. Denied.

See, also, 247 Fed. 790, 159 C. C. A. 648; 261 Fed. 203.

VAN FLEET, District Judge. The above-entitled cause and the seven similar causes by the same plaintiff, numbered in the margin, all involving the validity of the same letters patent, were heretofore tried together in this court in April, 1916, and on December 4, 1916, in accordance with an oral opinion by the court, an interlocutory (1002) decree was entered in each holding the patent valid and infringed and ordering an accounting. These decrees were thereafter in due course in all respects affirmed by the Circuit Court of Appeals (Central California Canneries Co. v. Dunkley, 247 Fed. 790, 159 C. C. A. 648), and its mandate of affirmance filed in this court on May 22, 1918. Thereafter on October 14, 1918, after the coming down of the remittitur, the present motion was interposed by the defendants asking that this court request of the Circuit Court of Appeals the withdrawal of its mandate of affirmance therein and that the causes be thereupon remitted to this court with authority to set aside its

decrees and all other proceedings therein, to reopen the same and permit the defendants to reform and amend their pleadings and thereupon to rehear said causes for the purpose of receiving certain alleged to be newly discovered, addition, and further evidence bearing on the validity of the patent involved and its infringement by the several defendants and upon such hearing to enter new and different decrees should the evidence warrant.

The grounds of the motion are, in substance, that subsequent to the entry here of said decrees in a suit on the same patent by this plaintiff and its assignee against another alleged infringer (Dunkley Co. et al. v. Pasadena Canning Co. 261 Fed. 203), tried before Judge Trippet in the District Court for the Southern District of this state wherein certain further and additional evidence was produced and heard which it is alleged could not with reasonable diligence be earlier discovered and was for that reason not available on the trial of these causes, the latter court rendered its decree on September 4, 1918, holding the patent void and dismissing the bill, which decree has thus resulted in a conflict of decision as to the validity of the patent and it is said will work confusion and result in hardship to the defendants; and it is claimed that the newly discovered evidence is of a character which would render it probable that on another hearing the patent would be held void by this court. There is a further and distinct ground that at the date of the hearing in this court the plaintiff herein had parted with all its

interest in the subject-matter of the suit by assigning its title in the patent pending the hearing to another corporation and for that reason it is claimed the decrees are void and should be set aside.

The motion was based upon affidavits as to diligence is discovering and the character of the newly discovered evidence largely as disclosed in the record in the cause heard in the Southern district and other evidence and documents to be produced at the hearing of the motion; and falling within the latter category, there was produced and relied on at the presentation the record of the evidence, proceedings, and decree in another and later suit brought by the assignee of the plaintiff, and decided by Judge Hand (A. N.) in the Southern district of New York, subsequent to the filing of this motion but before it was heard, in which the same patent was involved and wherein the decree, based substantively upon the same evidence as that produced before Judge Trippet was again in favor of the defendant (Dunkley Co. v. Cal. Packing Corporation, 277 Fed. 989.) (1003.)

While, as noted, the motion was entered here in October, 1918, its hearing was at the suggestion of the court postponed until the determination of the appeal then pending in the Circuit Court of Appeals, in the suit heard before Judge Trippet, in anticipation that the decision in the latter might facilitate a solution of the questions involved in the motion—and which, as we shall see, has contributed to that effect. That decision having been rendered (Dunkley Co. v. Pasadena

Canning Co. [C. C. A.] 261 Fed. 386), the motion has after some considerable delay been argued and submitted. Since the submission, an appeal in the suit in the New York case has been heard and decided. Dunkley v. California Packing Corporation (C. C. A.) 277 Fed. 996.

Motions of similar import are not without precedent in patent cases, but they are unusual, and the practice not uniform, and this fact doubtless led to some confusion in the minds of defendants' counsel as to where the jurisdiction rested. It appears that defendants first presented a motion to accomplish the same purpose and upon the same showing, to the Circuit Court of Appeals in these cases after its denial of a rehearing but before the remittitur had been sent down; but that court peremptorily denied the defendants' motion, without opinion, and by an order which is wholly silent as to defendants having leave to apply to this court for such relief. This action is now made the basis of an objection by plaintiff that the defendants are precluded from renewing the present motion here and that this court is concluded by the ruling of the Circuit Court of Appeals from granting the relief asked.

I was disposed at the argument to regard the objection rather lightly, but a more mature consideration of the authorities discloses that the question is not free from difficulty. That defendants in applying to this court are now pursuing the more usual and proper course in such instances is, I think, fairly to be gath-

ered from the cases on the subject; and had that course been taken in the first instance, the present objection could not have arisen. Barber v. Otis Motor Sales Co. (D. C.) 245 Fed. 945; Sundh Electric Co. v. Cutler-Hammer Mfg. Co., 244 Fed. 163, 156 C. C. A. 591; Wilson v. Union Tool Co. (C. C. A.) 265 Fed. 669. But this fact does not aid us. The defendants saw fit to first make the application to the Circuit Court of Appeals while the controversy was yet in its hands, and it ruled upon it. That that court had jurisdiction in a proper case to grant the relief no question is or could well be made. In re Potts, 166 U. S. 263, 17 Sup. Ct. 520, 41 L. Ed. 994; Dunn Wire-Cut Lug Brick Co. v. Toronto Fire Clay Co., 259 Fed. 258, 170 C. C. A. 326. In the latter case the Circuit Court of Appeals of the Sixth Circuit, after rendering its decree, granted a similar application authorizing the lower court to reopen the cause without requiring a request from the latter. In the present case the Court of Appeals took cognizance of the motion and ruled on it, and apparently upon its merits—at least, there is nothing to indicate a more limited view—but it denied the relief, not merely without prejudice to an application here, but unconditionally and finally, and we must therefore assume that it so ruled because the application did not appeal to it as having merit. Of course, it is hardly necessary to suggest that where (1004) a question in a cause has been ruled by the higher court it becomes as to the court below the law of the case and the latter may not competently proceed in

contravention of it. As stated in Re Potts supra, where the lower court had taken a course not in pursuance of the mandate of the higher court:

"When the merits of a case have been once decided by this court on appeal, the Circuit Court has no authority, without express leave of this court, to grant a new trial, a rehearing or a review, or to permit new defenses on the merits to be introduced by amendment of the answer. [Citing cases.] In this respect a motion for a new trial or a petition for a rehearing stands upon the same ground as a bill of review, as to which Mr. Justice Nelson, speaking for this court, in Southard v. Russell, above cited, said: 'Nor will a bill of review lie in the case of newly discovered evidence after the publication, or decree below, where a decision has taken place on an appeal, unless the right is reserved in the decree of the appellate court, or permission be given on an application to that court directly for the purpose. This appears to be the practice of the Court of Chancery and House of Lords, in England; and we think it founded in principles essential to the proper administration of the law, and to a reasonable termination of litigation between the parties in chancery suits.'"

But defendants contend that they are not asking here the same relief they asked of the Court of Appeals; that what they are asking this court to do in no way runs counter to the ruling of the higher court; that what they asked there was for a direct order from that court reopening the decrees, whereas all they ask this court to do is to "request the privilege" of taking that action. The answer of the plaintiff is that

this is merely seeking the same relief by going the other way about—"whipping the devil around the stump," as it were—and I am inclined to take that view.

But however, the objection should be decided, is, in the view I take of the merits, of little moment in the present case. I say this for the reason that, after a very careful review of the voluminous record, I find myself able to take no more favorable view of this application than that indicated by the Court of Appeals; and there can be no transgression or disparagement of the ruling of the latter court by looking into the record for the purpose of stating my reasons for that conclusion.

The controversy involves the validity of United States letters patent No. 1,104,175, issued to one Sam'l J. Dunkley on July 21, 1914, for a peach-peeling device for use in fruit canning, a full and luminous description of which will be found in the opinion of the Circuit Court of Appeals above noted, upholding the validity of the patent.

The conception at once took rank as of great value in the fruit canning industry, one of great magnitude in this state and, as is not unusual in such circumstances, it has almost from the date of the application been beset by bitter and stubborn litigation instigated by adverse claimants against both branches of the application; it having been divided in the Patent Office to cover both the device patent here involved and a process patent. The application was filed November

29, 1904, and before the patents thereunder were issued, there had been interposed two interference proceedings and one so-called "public use proceeding," all emanating from the same source which had to run (1005) their course through the Patent Office and the courts of the District of Columbia, before patents were finally secured. Dunkley v. Beekhuis, 39 App. D. C. 494; Monte v. Dunkley, 46 App. D. C. 70; United States ex rel Dunkley Co. v. Ewing, Comm. Pats., 203 O. G. 603. And since the issuance of this device patent there has been a cloud of infringers, necessitating a large number of infringement suits, the first of which to come to trial being those in this district resulting in the decrees here involved. In view of the history of the litigation in the Patent Office, it was not surprising that when those suits came on for hearing it should be found that both parties were thoroughly prepared, the knowledge gained in the interference and other proceedings having made them entirely familiar with the questions they had to meet and the evidence required; and the cases gave indication of every effort having been put forth by both parties to meet those issues with every item of evidence that could be secured, and indeed that the cases had in all respects been thoroughly prepared, through able counsel, for a determined fight. As a result, the questions involved were very ably presented and no stone left unturned by either side. The whole controversy was made to turn on the same question substantially as that involved in the interference proceedings of anticipation or prior con-

ception, there being no claim of noninfringement and the validity of the patent as involving invention being conceded. As a result of such hearings, these decrees were entered; and, as noted, the decrees were after a full and painstaking consideration of the challenged sufficiency of the evidence fully sustained by the Circuit Court of Appeals in an elaborate opinion meeting every objection urged.

It is obvious that, with this prolonged history of bitter controversy over the fundamental question of priority which underlies these adjudications and where three several tribunals have, after the most mature consideration, successively reached the same conclusion, this court should not, without the most impelling reasons, set these decrees aside and open up the whole controversy anew. As I stated to counsel at the argument, I should not entertain the idea of opening up these decrees unless the showing satisfied me that the interests of justice demanded it in obedience to an unescapable conviction that a rehearing would probably change the result. The showing has fallen far short of disclosing such a situation, but, to the contrary, leaves me quite satisfied with the propriety of those decrees. I have taken pains, with the aid of a very complete index memorandum furnished by counsel, not only to carefully review the evidence introduced before me, but everything additional found in the records in both Dunkley v. Pasadena Canning Co. and Dunkley v. California Packing Corporation, presented for the first time before Judge Trippet in the

former case and later to Judge Hand in the latter, and in my consideration of the evidence I have had the benefit of the views and comments found in the opinions of both my learned brothers, which led them to an opposite conclusion with myself as to the validity of the patent; yet, nevertheless, I am constrained to say that with the highest consideration for the learning and ability of both, I am impressed with neither the character of the (1006) new evidence nor with the conclusions reached in those cases. That there was a cloud of "new" witnesses it is quite true, giving indication that the country had been raked with a "fine-toothed comb," so to speak; but there was little "new" evidence given by them—if the term be used to express the idea of material evidence. In fact, there is none aside from one or two items of so-called documentary proof which does not fall strictly within the characterization of the Supreme Court as being wholly insufficient in character as a basis to set aside or defeat an existing patent. In the very recent case of Symington Co. v. National Malleable Castings Co. *et al.,* 250 U. S. 383, 386, 39 Sup. Ct. 542, 543 (63 L. Ed. 1045), that court took occasion to say:

"This court has pointed out that oral testimony tending to show prior invention as against existing letters patent is, in the absence of models, drawings or kindred evidence, open to grave suspicion; particularly if the testimony be taken after the lapse of years from the time of the alleged invention. Deering v. Winona Harvester Works, 155 U. S. 286, 300."

There is a striking absence of anything in the nature of models, drawings, or memoranda produced to support the mere oral statement of these witnesses made in nearly every instance purely from memory, and this after a lapse of from 15 to 18 years; and as to the items of book entry and correspondence they were not only wholly inconclusive in their character, but made as strongly in support of the plaintiff's theory as to the date the invention was put in practice as that of the defendants'. Indeed, I regard the item referred to as the "Norton letters," to which much significance is attached, as making, in their sequence, when properly construed, entirely in favor of the plaintiff.

And singularly enough while the motion is based entirely on the newly discovered evidence as produced in the hearings before Judge Trippet and Judge Hand, neither of those learned gentlemen seem to have relied on it as the fundamental basis of his conclusion in determining the validity of the patent, but they both resort to evidence that had found a place in the controversy from the beginning.

For instance, Judge Trippet, after noting two or three items of book entry, in themselves of no definitive value, and referring to the Norton letters, contents himself by saying:

"There is other documentary evidence, such as the books of the Clark Engine & Boiler Company, which throw more or less light upon the controversy."

But without specifying anything further he proceeds to discuss the evidence of the witness Stewart L.

Campbell, the defendants' chief witness produced before this court on the subject as to when the first device of the Dunkley invention was constructed; and Judge Trippet shows quite clearly that it is largely upon the evidence of this witness that he bases his conclusion that plaintiff's patent had been anticipated. This witness had testified before this court that he himself was the one who conceived the Dunkley invention and constructed the first experimental device in 1903, and that it was not built in 1902 as testified by Dunkley. Of this testimony I had occasion to say in my opinion:

"The main reliance by defendant in the evidence is upon the testimony of the witness Campbell. * * * I indicated at the trial, and my mind has (1007) been only confirmed in that view by my review of the evidence, that I could not extend the limits of my credulity sufficiently to put credence in the testimony of Campbell."

When the cases got to the Circuit Court of Appeals, the appellants disclaimed relying on Campbell's testimony that he was the inventor of the peach-peeling device, but offered it only to negative Dunkley being the inventor. This attitude occasioned the Circuit Court of Appeals to say in its opinion:

"There is in the record the testimony of one Stewart L. Campbell, who was called as a witness by the defendants in surrebuttal, and who testified that he was employed by the Dunkley Company in constructing machinery from the first of 1902 to December 1904. According to the testimony of this witness he designed

and built, in August, 1903, a peach-peeling table, for which the plaintiff obtained the patent in suit, and this he did without any ideas from Dunkley as to its construction. In other words, his testimony is to the effect that he was the designer of the invention for which Dunkley received a patent. But defendants insist that the testimony of this witness was not introduced to prove that fact, and they refer to their answer as showing that it was not so pleaded as a defense. The purpose of this testimony, they say, was to discredit the claim of Dunkley that he was the inventor, and not to offer the defense that Campbell was the inventor. But the testimony of Campbell upon that question was material and relevant to the issue before the court, and was either true or not true. If true, Dunkley was not the inventor of the device claimed as his invention, and that would end the case. If Campbell's testimony was not true, he was testifying falsely concerning a material and relevant matter, and his testimony would for that reason be wholly rejected. 'Falsus in uno, falsus in omnibus.'

"But the defendants say they offer it only to prove that Dunkley was not the inventor. They stand on the priorities set up in their answer as defenses, namely, the priority of the Vernon patent for a process for peeling fruit and the Grier device for an apparatus used in conducting that process. They deny the priority of the Dunkley peach-peeling machine, and offer the testimony of Campbell to prove that fact. This they cannot do. They cannot offer this testimony as true to prove a material and relevant fact for one purpose, and discredit it for another purpose. If it is true for one purpose, it is true for any purpose. And as the defendants have refused to commend the testimony of this witness to the court as true for a pur-

pose to which it was relevant and material, we must reject it for the purpose for which it was offered, namely, to fix the date of the Dunkley constructed machine in 1903, instead of 1902."

Campbell's testimony was not materially different before Judge Trippet, but the latter does not advert to the aspect above discussed by the Circuit Court of Appeals, merely closing his consideration of the witness' evidence by saying: "There is no reason in any event for discrediting Campbell." I have carefully reviewed the particulars of the evidence as to which Judge Trippet seems to think it tends to corroborate Campbell, but I am wholly unable to change my former conclusion as to his evidence.

Basing his conclusion largely on the evidence of this witness, Judge Trippet found the Dunkley patent anticipated and for that reason void. He also found that the device claimed in that case to be an infringement, did not infringe the Dunkley invention; and it is significant that it was only on this latter ground that the Circuit Court of Appeals affirmed his decree dismissing the bill.

As to Judge Hand's opinion it is devoted largely to a question not (1008) here involved—whether defendants were protected by a license set up in defense—and on the question of anticipation he indulges, with a single exception to be noticed, in little original discussion, contenting himself with following and adopting the views of Judge Trippet. He starts out by saying:

"After hearing the testimony, I was very clear that the complainant had not a valid patent, and that the decision of Judge Trippet was correct."

And referring to Judge Trippet's views on anticipation, he says:

"Judge Trippet has discussed his testimony carefully and has reached the conclusion that Stewart's testimony that he made the first machine in 1903 is correct."

This reference is to Campbell's testimony, the learned judge inadvertently calling him "Stewart"—his first name. He then proceeds to some independent discussion and says:

"In the various alleged anticipating devices *which were exhibited to me* * * * the one which impressed me most was the Baker-Chalker machine. * * * The Baker-Chalker machine was not before Judge Van Fleet, and if it had been, supplemented by the additional testimony that was before Judge Trippet, I believe he would have had no doubt that a valid prior use was established. * * * The identity of function between the Baker-Chalker machine *exhibited to me* and that of Dunkley is convincing evidene that the latter contributed nothing to the art which can be regarded as amounting to invention." (Italics volunteered.)

In these extracts Judge Hand has inadvertently fallen into a singular error or misapprehension arising perhaps from the evidence before him having been largely stipulated into the case from the record before Judge Trippet and not heard orally. In the first place,

there was not before Judge Hand one of the Baker-Chalker machines as relied upon by defendants to anticipate plaintiff's device. What was before Judge Hand was a copy of the old original Baker-Chalker orange-washing device, remodeled or adapted from memory by Baker, one of the patentees, to represent that device as the witness testified to seeing it used experimentally in Fresno in 1902 for peeling peaches; and it had been admitted before Judge Trippet solely for illustrative purposes as representing, as nearly as the witness' memory could make it, the device as it was used in Fresno. It found its way before Judge Hand from being stipulated into the record and was only there for the same purposes as used before Judge Trippet. In the next place, all of the evidence as to this device, with a single exception, that was before Judge Trippet, was before me in the present cases, including that of Baker. The exception was the evidence of one Stebler—referred to by Judge Hand as "Stebley"—who saw the device used on one occasion in Fresno in 1902 or 1903 and, testifying purely from memory, said:

"Well I observed that it was a new application of the machine [Baker-Chalker] which I had not seen before, and it was being used as I say in which to remove the peel from peaches preparatory to canning and it was done in conjunction with—by using water in conjunction with the brushes."

It will be observed that the witness says nothing about how the water was being used, and consequently

his evidence was entirely valueless (1009) as showing anticipation of plaintiff's patented device, even if otherwise competent. But in fact, under the principles of the Symington Case, neither the evidence of Baker nor that of Stebler was competent to anticipate plaintiff's patent.

Of this Baker-Chalker device I had occasion to say in my oral opinion:

"As to the Vernon device, it had been in use in Fresno as early as 1902 or 1903. I am unable to hold that this device was an anticipation in its essential characteristics. It operated upon a fundamentally different principle. That was an adaptation to the purposes for which the plaintiff's device was used that of peeling peaches, of a device by Baker and another for scouring oranges for the market; it had a system of revolving brushes, and it used a saturation or douche of water for the purpose of softening the brushes and of washing the fruit; but the essential operative principle there was the brushes. They were for the purpose of scrubbing and washing the hard outer surface of the skin of the orange and of freeing it from mold and other detrimental substances which interfered with its marketability, and the essential principle was the operation of the brushes. The water was used, as I have suggested, only for a saturating and washing purpose. I may say, furthermore, that the patent itself did not call for the essential feature which I find characterizes the plaintiff's device, that is, of peeling jets of water, or water admitted at such a high pressure upon the fruit as to act itself as the primary means of washing the skin from the fruit; nor do I think that the manner in which the Vernon patent was used was

such as to suggest readily to the mind the idea that peeling jets of water would be efficient for the purpose for which the plaintiff's device was intended. The plaintiff's device operates upon quite a different principle. It has the rotating brushes, but has these peeling jets of water, which are themselves the efficient means of washing off the disintegrated skin of the peach after it has been put through the lye process, and the brushes serve the subsidiary purpose of agitating the fruit and of turning it for the purpose of presenting its different surfaces to the jets of water to enable them to do the efficient work of cleansing the skin after its disintegration by the lye bath; and I am therefore unable to hold that the Vernon device, which was subsequently patented—I think in 1905—can be regarded as an anticipation of the device or the conception embodied in the plaintiff's patent."

I may add that I have found nothing in the record, either new or old, tending in any way to change my views as there expressed.

As a result of his conclusions, Judge Hand found the patent void for anticipation, but he also found that the defendants held a valid license to use plaintiff's device and for that reason was not infringing. It was upon this latter ground alone that the Circuit Court of Appeals of the Second Circuit affirmed his decree, leaving the question of the validity of the patent untouched. As a result their decree, like that of the Circuit Court of Appeals of this circuit, lends no aid to defendants on the present motion.

In what has been said above of the adverse conclusions reached by my Brother Judges I need hardly

say that nothing is intended in a spirit of criticism, my sole purpose being to show that the case is not one where I am called upon to accept their conclusions as making in support of the present motion.

In view of the considerations suggested, to grant defendants' motion would, as it seems to me, do violence to a cardinal rule for the guidance of courts, that when parties have had full opportunity to be heard there should be a period to litigation. And in the practical adminis(1010)tration of the law a party has had full opportunity to be heard when he has been afforded a fair and reasonable opportunity.

As to the last ground of defendants' motion, that the decrees should be vacated for want of proper parties, it is antagonized by a counter motion by plaintiff to add as plaintiff in the several actions the name of the corporation to whom the present plaintiff's rights have been assigned pending the controversy. Leave to apply to this court for that privilege was heretofore granted by the Circuit Court of Appeals and, as the right is one which does not inhere in the merits of the controversy but is purely modal and formal that there may be proper parties to sustain a final decree, the plaintiff's motion should be granted.

Accordingly, the defendants' motion that this court ask leave to reopen the decrees is denied; that of plaintiff to add the new party is granted.